

# COMMITTEE ON APPROPRIATIONS

*Representative Russell Pearce, Chairman*  
*Representative Trish Groe, Vice-Chairman*  
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\* Strike-everything Amendment  
 [E] Emergency Clause  
 [P 105] Proposition 105 Clause  
 [P 108] Proposition 108 Clause

Bill	Chapter	Short Title	Page
HB 2204	86	*character education; matching grant; transfer .....	3
HB 2407	78 [E]	centennial; administrative costs; appropriation .....	3
HB 2465	44 [E]	archives building; purchase of property.....	3
HB 2681	218	utility assistance; qualified fuel fund .....	3
HB 2726	210	*communication service records; unauthorized use..... (See Committee on Judiciary)	113
HB 2750	131	*justices of the peace; jurisdiction .....	113
		(See Committee on Judiciary)	
HB 2758	237	justices of the peace; funding.....	3
HB 2781	255	*general appropriations; 2007-2008; 2008-2009.....	4
HB 2782	256	*fiscal year 2006-2007; supplemental appropriations .....	25
HB 2783	257	*appropriations; capital outlay .....	26
HB 2784	258	*2007 tax reduction package..... (See Committee on Ways and Means)	146
HB 2785	259	*budget reconciliation; budget procedures .....	29
HB 2786	260	*budget reconciliation; general revenues .....	31
HB 2787	261	*budget reconciliation; criminal justice .....	32
HB 2788	262	*budget reconciliation; environment .....	35
HB 2789	263	*budget reconciliation; health and welfare .....	36
HB 2790	264	*budget reconciliation; K-12 education.....	43
HB 2791	265	*budget reconciliation; higher education .....	46

HB 2792	266		*budget reconciliation; school facilitates board ..... 49
HB 2793	267		*budget reconciliation; transportation ..... 51
SB 1053	25	[E]	nuclear emergency management fund; assessments..... 53
SB 1186	285		named claimants; appropriations ..... 53
SB 1218	286		*Arizona water settlements .....138 <i>(See Committee on Water and Agriculture)</i>
SB 1265	289		*bailable offenses; illegal immigration .....115 <i>(See Committee on Judiciary)</i>
SB 1326	197		*concurrent jurisdiction; Barry Goldwater range ..... 99 <i>(See Committee on HSPR)</i>
SB 1605	294		*DPS; injuries; industrial leave ..... 53

**HB 2204 – Chapter 86 – \*character education; matching grant; transfer**

Transfers responsibility for administering the character education program to the Arizona Department of Education (ADE) and transfers any unspent character education monies from Northern Arizona University to the ADE

**HB 2407 – Chapter 78 [E] – centennial; administrative costs; appropriation**

Allows the Arizona Historical Advisory Commission (AHAC) to accept and spend legislative appropriations to contract for staff in order to plan, develop and coordinate a statewide plan regarding the state's centennial celebration and transfers \$50,000 from previously appropriated monies to the AHAC for planning and hiring purposes. Contains an Emergency Clause.

**HB 2465 – Chapter 44 [E] – archives building; purchase of property**

An emergency measure that gives the director of the Arizona Department of Administration the authorization to purchase property adjacent to the new archive buildings using previously appropriated monies.

**HB 2681 – Chapter 218 – utility assistance; qualified fuel fund**

Repeals the statutes that relate to the Utility Assistance Fund and requires utility companies to transfer all abandoned deposits to a Qualified Fuel Fund Entity for the purposes of assisting eligible Arizona residents in making deposits, repairs, and replacement of utility related appliances or systems.

**HB 2758 – Chapter 237 – justices of the peace; funding**

Alters the contributions that counties make to various Arizona Health Care Cost Containment System (AHCCCS) administrative costs, Acute Care, and justice of the peace (JP) salaries.

- Changes the requirement for state contribution to JP salaries to counties with a population of less than 1.5 million persons only (counties with a population of more than 1.5 million would pay the entire cost of JP salaries).
- Applies the following to counties that would pay 100 percent of JP salaries:
  - Allows for a county's contributions for the county's portion of the hospitalization and medical care of the indigent sick and for the associated administrative costs to be reduced by an equal amount of monies that the county would have received for state reimbursement of JP salaries beginning in FY 2007-08.
  - Requires the Economic Estimates Commission to increase an affected county's base expenditure limit.
- Provides that any increase in the county's contributions in subsequent years be reduced according to its proportionate share of the base contribution.
- Specifies that county contributions be reduced in the following priority:
  - First as applied to the contributions for portions of the AHCCCS administration costs.
  - Second as applied to the contributions for AHCCCS acute care costs or for any other contributions for acute care or for hospitalization and medical care that would otherwise be provided.
- Specifies who will determine the amount of exchange and technically adjusts each agency's budget.

**HB 2781 – Chapter 255 – \*general appropriations; 2007-2008; 2008-2009**

Makes state General Fund and other fund appropriations in FY 2007-08 and FY 2008-09 for the operation of state government.

The tables below indicate state General Fund (GF) and other fund (OF) changes other than standard and technical for each appropriated state agency.

<b>Summary of Changes</b>	<b>Fund Source</b>	<b>Comments</b>	<b>FY 2007-08 Changes</b>	<b>FY 2008-09 Changes</b>
<b>State Board of Accountancy</b>				
Consumer Protection	OF		10,000	10,000
Out of State Travel	OF		(10,000)	(10,000)

<b>Board of Acupuncture Examiners</b>				
Joint Office Costs/Clerical Support	OF		9,300	9,300
Salary Increase	OF		8,700	8,700

<b>Arizona Department of Administration</b>				
AZNET Lease	GF		(42,200)	
Employee Wellness Program	GF		(500,000)	
Lease-Purchase	GF	ENSCO Payment	1,959,000	
Utilities	GF		625,700	
Accountant Pay Raise	GF		370,000	
Additional Operating Expenses	GF		125,000	
HRIS COP Debt Service Increase	OF		162,100	
Risk Management	OF		(676,000)	
Risk Management – ADOT Preventative Loss	OF		150,000	
Workers' Comp.	OF		1,942,500	
One-time Telecomm Equipment	OF		(302,000)	
Enterprise Data Storage Upgrade	OF		(250,000)	
Electronic Physical Security	OF		960,000	
Zuni Settlement Decrease	OF		(796,000)	
Capitol Police Security	OF		515,100	
Rent	OF		100,000	
Infrastructure Investment Account	OF		4,713,700	
IT Security	OF		299,000	
Personnel Division (Require Pro Rata Increase)	OF		744,500	
Employee Wellness	OF		300,000	
Health Savings Account Study	OF		100,000	

Office of Administrative Hearings				
No Changes	--		--	--

Department of Agriculture				
Laboratory Costs	GF		104,000	326,000
Border Inspections	GF		425,000	425,000
Nursery Certification Program	OF		18,600	18,600
Egg Inspection Program Positions	OF		146,700	143,600
Pesticide Label Comprehension Courses	OF		31,500	31,500
State Laboratory Costs	OF		10,000	10,000
Pesticide Recycling	OF		100,000	100,000

Arizona Health Care Cost Containment System (AHCCCS)				
Eliminate One-time Funding	GF		(983,300)	
Enrollment and Inflation Growth	GF		93,891,100	
KidsCare Parents	GF		(705,100)	
Outlier Methodology Change	GF		(5,599,500)	
Citizen Verification One-time Funding	GF		(3,400,000)	
Temporary Medical Coverage Annualization	GF		1,850,000	
GME Expansion	GF		3,000,000	
Healthcare Group	GF		8,000,000	
Adult Dental	GF		1,000,000	
Dispro. Method. Change	GF		(39,557,000)	
HPV Vaccine	GF		2,869,100	
Retain 211 One-time Funding	GF		0	
211 Call Center Support	GF		1,500,000	
DES IT Eligibility Project	GF		1,300,000	
Replace Claims Computer System	GF		500,000	
Eliminate One-time HIPAA Compliance	OF		(152,400)	
KidsCare Caseload and Capitation Rate Growth	OF		12,244,300	
KidsCare Expansion	OF		4,900,000	
KidsCare Parents	OF		6,199,500	
Tobacco Tax Offset	OF		(4,963,500)	
BNCF Statutory Adjustment	OF		151,200	
Temporary Medical Coverage	OF		824,600	
Healthcare Group – PPO \$	OF		4,557,200	

State Board of Appraisal				
Cost Increases	OF		7,100	7,100

Arizona Commission on the Arts				
Grant Program	GF		200,000	200,000

Attorney General				
Eliminate One-time Equipment	GF		(102,300)	(102,300)
Case Management One-time Funding	GF		(1,017,400)	(1,017,400)
Pro Rate Backfill	GF		300,000	300,000
Elder Abuse	GF		91,700	81,900
Tobacco Enforcement	GF		223,000	206,100
ISA Cost Allocation	OF		(300,000)	(300,000)
Fraud Case Prosecution	OF		294,000	294,000

Automobile Theft Authority				
Increased Expenditure Authority	OF		196,100	603,600

Board of Barbers				
Joint Office Costs	OF		1,500	1,500
Program Costs	OF		32,100	15,500

Board of Behavioral Health Examiners				
Eliminate One-time Investigator Costs	OF		(200,000)	(200,000)
New Staff	OF		174,900	159,900

State Capital Postconviction Defender Office				
Annualization	GF		501,700	501,700

State Board for Charter Schools				
School Information Systems	GF		308,100	4,800
Contract Renewal and Service Resources	GF		0	262,400

State Board of Chiropractic Examiners				
Adjustments	OF		(5,300)	(3,700)

Department of Commerce				
Military Base Study One-time Funding	GF		(250,000)	(250,000)
GADA Deposit	GF		2,000,000	2,000,000

Econ. Development Staffing	GF		400,000	400,000
International Trade	GF		700,000	700,000
CEDC Fund Shift	GF		750,000	750,000
Tax Administration	GF		74,200	74,200
CEDC Fund Shift	OF		(750,000)	(750,000)

Arizona Community Colleges				
Operating State Aid Formula	GF		574,700	
Capital Outlay State Aid Formula	GF		(241,600)	
Equalization Aid Formula	GF		3,481,100	
Out of County Tuition One-time Funding	GF		(1,000,000)	
New Out of County Tuition	GF		1,200,000	
Law/Fire Academy Capital	GF		(3,000,000)	
Northland Pioneer Capital	GF		1,000,000	
Tribal Community Colleges	GF		194,000	

Registrar of Contractors				
Private Rent Increase	OF		297,900	297,900
Information Management System	OF		3,683,000	506,500
Additional Personnel	OF		464,800	320,600
Salaries	OF		127,600	127,600

Corporation Commission				
Commissioner Expenses	GF		50,000	50,000
Administrative Law Staffing	OF		109,300	102,800
Attorney Salary Equity	OF		235,100	235,100
Railroad and Pipeline Safety Division Director	OF		121,900	115,400
Legal Services	OF		100,400	93,900
Automation Update	OF		450,300	521,700
Master Meter Equipment	OF		55,400	0

Department of Corrections				
AZNet One-time Funding	GF		(2,365,100)	
Annualize 1,000 Sex-Offender Beds	GF		9,409,500	
New Provisional Beds	GF		31,193,000	
Provisional Bed Per Diem Increases	GF		8,007,000	
Private Provider Rate Adjustment	GF		3,000,000	
Population Growth	GF		3,308,300	

Supervisor Pay Increase	GF		3,000,000	
4 New Security Posts	GF		912,500	
Sex-Offender Treatment	GF		230,600	
Substance Abuse Treatment (Meth)	GF		232,600	
Rebase Retirement	GF		(6,654,300)	
Health Care	GF		13,767,200	
Van Pool One-time Funding	GF		(1,500,000)	
Equipment One-time Funding	GF		(1,000,000)	
Equipment/Van Pool	GF		1,900,000	
Private Provider Rate Adjustment	OF		1,800,000	
Education Adjustment	OF		(485,800)	
Leap Year Funding	OF		576,600	
Inmate Transportation Vehicle Replacement	OF		2,000,000	
Utilities	OF		1,000,000	
2,060 Provisional Beds	OF		2,000,000	
Provisional Bed Per Diem Increases	OF		2,056,200	

Board of Cosmetology				
IT Equipment	OF		12,900	9,400
Operating Expense	OF		19,000	19,800
File Document Management	OF		89,000	

Arizona Criminal Justice Commission				
Meth Grants One-time Funding	GF		(3,000,000)	(3,000,000)
Criminal Justice Information System	GF		900,000	800,000
Grants Management System Improvements	OF		225,000	100,000
Arizona Youth Survey	OF		25,000	
County Attorney Funding	OF		175,000	175,000
Crime Victim Assistance Program	OF		400,000	400,000
Victim Compensation Restitution Specialist	OF		75,100	69,100
County Indigent Defense	OF		166,000	166,000

Arizona State Schools for the Deaf and the Blind				
School Bus Replacement One-time Funding	GF		(220,000)	(112,000)
Air Conditioning One-time Funding	GF		(300,000)	(300,000)



Dorm Furniture	GF		50,500	0
Transportation Fuel Costs	GF		50,500	50,500
Voucher Increase	OF		500,700	878,500

Commission for the Deaf and the Hard of Hearing				
No Changes	--		--	--

Board of Dental Examiners				
Eliminate One-time Equipment	OF		(4,400)	(10,700)
Additional Staff	OF		44,100	39,700
Database Upgrades and AG Legal Services	OF		39,200	15,700

Arizona Drug and Gang Prevention Resource Center				
No Changes	--		--	--

Department of Economic Security				
AZNet One-time Funding	GF		(1,117,300)	
DD Title 19 Long-Term Care	GF		28,786,400	
Eliminate One-time Equipment	GF		(94,700)	
General Assistance Caseload	GF		(1,200,000)	
TANF Cash Benefits Caseloads	GF		(10,457,400)	
Federal Funds Backfill	GF		13,500,000	
Expand Services to Seniors	GF		1,500,000	
Domestic Violence Expansion	GF		3,000,000	
Federal Funds Backfill	GF		3,222,100	
Food Bank Trailers	GF		228,000	
Blind Training	GF		500,000	
Adoption Services	GF		6,691,000	
Adoption Services Academic Tutoring	GF		300,000	
Permanent Guardianship Caseload	GF		1,142,100	
Children's Services	GF		6,900,000	
Assistance for Older Foster Youth	GF		1,000,000	
Summer Youth Employment	GF		250,000	
Childcare Provider Rates	GF		9,000,000	
Document Management	GF		500,000	
Autism Pilot	GF		2,300,000	
Case Management System	GF		1,000,000	
Homeless Trust Fund One-time Funding	OF		(850,000)	

Child Support Funding	OF		500,000	
LTC Provider Rate Increases	OF		3,100,000	
UI Operations	OF		3,495,700	
Child Care Error Rate Report	OF		150,000	

Arizona Department of Education				
Basic State Aid and Other Formula Growth	GF		178,007,600	
JTED Formula	GF		27,000,000	
Kindergarten Weight Increase	GF		80,000,000	
Additional Teacher Pay	GF	\$ in BRB	46,000,000	
Teach America One-time Funding	GF		(1,000,000)	
IT One-time Funding	GF		(2,500,000)	
E-Learning One-time Funding	GF		(3,000,000)	
Physical Education One-time Funding	GF		(490,000)	
IT Security Services	GF		200,000	
Reading Grants – Non Title 1	GF	\$ in BRB	1,000,000	
Technology Grants	GF	\$ in BRB	1,000,000	
Charter Funding	GF		3,000,000	
Math & Science Initiative	GF		2,500,000	
Additional State Board Staff	GF		300,000	
Professional Development	GF		150,000	
Civics Training	GF	\$ in BRB	100,000	
K-12 Risk Management Mitigation Funding	GF	\$ in BRB	400,000	
Master Teacher	GF		2,000,000	
One-time Funding	OF		(1,865,400)	
Teacher Certification	OF		195,100	

Department of Emergency and Military Affairs				
Project Challenge One-time Funding	GF		(400,000)	(500,000)
Nuclear Emergency Management Fund	GF	Separate Bill	(677,900)	(677,900)

Department of Environmental Quality				
Water Permit One-time Funding	GF		(200,000)	(200,000)
Small Rural Water Systems One-time Funding	GF		(750,000)	(750,000)
Surface Water Permitting	GF		530,500	653,500
Chromium and Contamination	GF		155,100	155,100
Border Inspectors	GF		180,000	180,000

Emergency Air Response	GF		100,000	100,000
Water Supply Development Fund Deposit	OF		250,000	0
Water Permits	OF		(200,000)	(200,000)
APP Staff	OF		547,800	527,800
Water Quality Fee Fund Authority	OF		710,900	710,900
Expedited Water Quality Permits	OF		600,000	600,000
Emissions Control Contract	OF		1,500,000	1,500,000
Air Quality Staff	OF		214,800	211,800
Recycling Compliance	OF		150,200	150,200

#### **Governor's Office of Equal Opportunity**

No Changes	--		--	--
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#### **State Board of Equalization**

No Changes	--		--	--
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#### **Board of Executive Clemency**

Victim Researcher	GF	1 FTE	42,500	42,500
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#### **Arizona Exposition and State Fair Board**

No Changes	--		--	--
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#### **Department of Financial Institutions**

Automation Project Completion	GF		0	
Prod. Public Protection Enhancement	GF	1 FTE	45,600	
IT Maintenance	GF		50,000	
Payday Lender	GF	1 FTE	56,800	

#### **Department of Fire, Building and Life Safety**

Fire Marshall Position	GF	1 FTE	70,000	51,500
National Fire Incident Reporting System	GF		7,000	0
Manufactured Housing	GF	2 FTEs	100,000	100,000

#### **State Board of Funeral Directors and Embalmers**

Joint Office Costs	OF		6,300	6,300
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#### **Arizona Game and Fish Department**

Wildlife Habitat One-time Funding	GF		(3,500,000)	(3,500,000)
One-time Allocations	OF		(1,083,800)	(1,083,800)

Employee Compensation	OF		643,000	643,000
Employee Development	OF		10,000	10,000
Rebase Retirement	OF		(449,400)	(449,400)
Motor Pool	OF		1,337,200	1,251,900
Operating Expenses	OF		168,900	168,900
IT Equipment	OF		360,000	260,000
Field Equipment	OF		153,700	55,300
Radio Towers	OF		250,000	250,000
Radio Tower Upgrade	OF		77,000	46,000
Shooting Range	OF		500,000	500,000
Shooting Range Grants	OF		170,000	100,000
Hunting Club Grant Program	OF		50,000	50,000
Urban Fishing Program	OF		25,500	37,000
Hatchery Planning	OF		75,000	
Fish Management	OF		120,000	142,000
Lower Gila Wildlife Area	OF		75,000	75,000
North Kaibab Deer Project	OF		200,000	200,000
Grassland Restoration	OF		100,000	100,000
Wildlife Nature Festival	OF		50,000	50,000
Watercraft Outreach	OF		1,275,000	1,175,000
Watercraft OUI	OF		250,000	250,000
Boating Safety Grants	OF		325,000	450,000
Life Jacket Loaner Program	OF		50,000	50,000
Watercraft Compliance Survey	OF		100,000	100,000
Watercraft On-Line Registrations	OF		450,000	370,000
Watercraft Cost Increases	OF		25,000	50,000
Boating Facilities	OF		175,000	105,000
3 Patrol Watercraft	OF		175,000	150,000

Department of Gaming				
Enforcement Division Staffing	OF		189,100	150,100
Joint Monitoring System	OF		1,188,100	2,442,100
Eliminate One-time Fleet Vehicle Acquisitions	OF		(12,000)	(12,000)
Gaming Crimes Prosecution	OF		296,600	296,600
Certification Staffing	OF		142,300	129,300
Problem Gambling	OF		911,400	1,371,900
IT Equipment	OF		663,000	

Arizona Geological Survey				
Eliminate One-time Equipment Funding	GF		(27,000)	(27,000)

Government Information Technology Agency				
Web Portal Fund	OF		3,700,000	5,000,000

Office of the Governor				
Additional Funding	GF		500,000	500,000

Governor's Office of Strategic Planning and Budgeting				
No Changes	--		--	--

Department of Health Services				
Eliminate One-time Equipment	GF		(89,600)	
Title XIX Caseload	GF		36,713,200	
SMI Housing One-time Funding	GF		(2,500,000)	
Meth Grants One-time Funding	GF		(2,500,000)	
IMD Waiver	GF		2,000,000	
Part D Copays	GF		322,600	
Indirect Cost Fund Shift	GF		(1,000,000)	
Electronic Medical Records	GF		300,000	
Cord Blood Bank - \$ to BMRC	GF	\$ in BRB	1,000,000	
Security Officers Salary	GF		100,000	
Utilities Increase	GF		250,000	
ASH Revenue	GF		2,000,000	
Alzheimer's Research One-time Funding	GF		(1,000,000)	
Autism Research One-time Funding	GF		(7,100,000)	
Diabetes Education One-time Funding	GF		(700,000)	
Umbilical Cord Pamphlet One-time Funding	GF		(30,000)	
County Tuberculosis Program	GF		400,000	
Valley Fever	GF		300,000	
Osteoporosis Outreach	GF		(300,000)	
Renal & Non-Renal Disease Management	GF		(300,000)	
Vaccines	GF		2,226,100	
Breast and Cervical Cancer Screening	GF		250,000	
Crisis Intervention Training Grants	GF		250,000	

Senior Food Programs	GF		600,000	
Child Care Licensing	GF		250,000	
Community Health Centers	OF		1,500,000	
Nursing Care Incentive Grants	OF		271,500	
Southern AZ Trauma Center One-time Funding	OF		(2,000,000)	
Biotech Grants Expiring Authority	OF		(5,000,000)	
Indirect Cost Fund	OF		1,000,000	
Newborn Screening Program	OF		661,000	
Folic Acid	OF		200,000	
Autism Pilot One-time Funding	OF		(2,300,000)	
ASH Revenue	OF		(2,000,000)	

Arizona Historical Society				
OOE Support	GF		100,000	100,000

Prescott Historical Society				
No Changes	--		--	--

Department of Homeland Security				
No Changes	--		--	--

Board of Homeopathic Examiners				
Program Costs	OF		5,000	3,300

Department of Housing				
Compliance Inspectors	OF		66,500	62,300
Data Technical Assistance	OF		55,400	117,700

Arizona Commission of Indian Affairs				
No Changes	--		--	--

Industrial Commission				
Additional Staff	OF		194,100	185,700
Elevator Inspectors	OF		168,400	160,000
Minimum Wage	OF		121,700	121,700

Department of Insurance				
Fraud Case Prosecution	GF		294,000	294,000
Healthcare Group Audit	OF		200,000	0
NCOIL Participation	OF		(25,000)	(25,000)

Judiciary – Supreme Court				
07 Judges Pay Annualization	GF	Enacted	48,600	
Integrated Family Court One-time Funding	GF		(850,000)	
GPS Monitoring Transfer	GF	To Superior Court	(750,000)	
CASA Fund Shift	GF		753,000	
Commission on Judicial Conduct Operating Costs	GF		63,000	
Criminal Case Processing	OF		1,500,000	

Judiciary – Court of Appeals				
Equipment	GF		(63,500)	
07 Judges Pay Annualization	GF	Enacted	207,700	
Electronic Filing – Division I	GF		138,400	
Operating Costs – Division II	GF		61,600	

Judiciary – Superior Court				
Rebase Retirement	GF		(632,400)	
07 Judges Pay Annualization	GF	Enacted	745,000	
5 New Judgeships	GF		416,500	
GPS Monitoring Transfer	GF	From Supreme Court	750,000	
CORP Administration	GF		192,300	

Department of Juvenile Corrections				
Eliminate One-time Funding	GF		(495,000)	
FY 07 AZNet One-time Funding	GF		(330,900)	
Population Growth	GF		(918,000)	
Rebase Retirement	GF		(580,500)	
Supervisor Pay Increase	GF		100,000	
Youth Officer Pay	GF		443,900	
State Juvenile Education System Adjustment	OF		48,700	
Adobe Mountain Well	OF		(340,000)	

State Land Department				
Eliminate One-time Funding	GF		(221,300)	(221,300)
CAP Fee Reduction	GF		(79,300)	140,400
Fire Suppression One-time Funding	GF		(1,500,000)	(1,500,000)
Due Diligence One-time Funding	GF		(500,000)	(500,000)
Land Sales and Management	GF		775,000	775,000

Fire Suppression Operations	GF		250,000	250,000
Forestry Support/Operating Staff	GF	4 FTE	364,500	277,200
Document Processing and Security	GF		227,800	314,700
Eliminate One-time Increase for Dam Repair	OF		(230,600)	(230,600)
Due Diligence	OF		500,000	500,000

Law Enforcement Merit System Council				
No Changes	--		--	--

Legislature – Auditor General				
Auditors – 25 FTE	--	No Funding	--	--
Procurement Study	GF		300,000	0

Legislature – House of Representatives				
Additional Funding	GF		500,000	500,000

Legislature – Joint Legislative Budget Committee				
No Changes	--		--	--

Legislature – Legislative Council				
Arizona Centennial One-time Funding	GF		(2,500,000)	(2,500,000)

Legislature – Arizona State Library, Archives and Public Records				
No Changes	--		--	--

Legislature – Senate				
Additional Funding	GF		500,000	500,000

Department of Liquor Licenses and Control				
Equipment Reduction	GF		(10,000)	(10,000)
Data Processing One-time Funding	GF		(1,250,000)	(1,250,000)

Arizona State Lottery Commission				
Equipment	OF		179,400	11,700
Instant Ticket Staff	OF		39,400	33,800
Telecomm Savings	OF		(2,160,000)	(2,160,000)
Retailer Commissions	OF		658,200	1,155,600
Instant Tickets	OF		161,500	242,200
Special Investigator	OF		80,800	57,500
On-Line Vendor Fees	OF		(289,200)	(92,300)



Arizona Medical Board				
Eliminate One-time Equipment	OF		(152,500)	(152,500)

Board of Medical Student Loans				
No Changes	--		--	--

State Mine Inspector				
Telephone System	GF		17,000	
Abandoned Mines Safety Fund Deposit	GF		50,000	
Fill Vacant Positions	GF		540,000	

Department of Mines and Mineral Resources				
No Changes	--		--	--

Naturopathic Physician Examiners Board				
Joint Office Costs	OF		21,000	21,000
Investigation Costs	OF		42,600	40,000
Program Costs	OF		28,200	28,200

Arizona Navigable Stream Adjudication Commission				
One-time Funding for Navigability Reports	GF		(92,000)	

State Board of Nursing				
IT Issues	OF		177,500	16,000
Equipment Replacement	OF		73,600	0
Private Rent Increase	OF		20,900	43,400

Nursing Care Institutions Administrators Board				
Expense Reductions	OF		(58,800)	(58,800)

Occupational Safety and Health Review Board				
No Changes	--		--	--

Board of Occupational Therapy Examiners				
No Changes	--		--	--

State Board of Dispensing Opticians				
Administrative Expenses	OF		12,300	10,300

State Board of Optometry				
No Changes	--		--	--

Arizona Board of Osteopathic Examiners				
Eliminate One-time Funding	OF		(100,000)	(100,000)
Compliance Personnel	OF		74,700	74,700
IT Improvements	OF		22,000	22,000

Arizona State Parks Board				
Arizona Trail One-time Funding	GF		(125,000)	(125,000)
Enhancement Fund Offset	GF		1,000,000	1,500,000
Enhancement Fund Offset	OF		(1,000,000)	(1,500,000)

Personnel Board				
No Changes	--		--	--

Arizona State Board of Pharmacy				
New Compliance Officer	OF		116,700	101,700
Compliance Officer Salary Increases	OF		101,500	101,500
Attorney General IGA	OF		19,600	25,700
Substance Abuse Program	OF		46,300	46,300
U of A School of Pharmacy	OF		600,000	0

Board of Physical Therapy Examiners				
Program Costs	OF		84,900	54,800

Arizona Pioneers' Home				
Equipment	OF		13,000	13,000
Prescription Drugs	OF		(186,400)	(178,400)
Health Insurance	OF		75,700	75,700
Nurse Pay Increase	OF		87,800	184,000

State Board of Podiatry Examiners				
Salary/Clerical Support	OF		15,400	15,400
Joint Office Costs	OF		700	700

Commission for Postsecondary Education				
Higher Education Scholarships Administration	GF		300,000	300,000
PFAP Increase	GF		400,000	400,000
Case Managers	GF		100,000	100,000
AMEPAC	OF		(51,400)	(51,400)
529 Plan	OF		37,300	37,300
12 Plus Partnership	OF		10,300	10,300
Expand Operating Budget	OF		13,500	13,500

Board for Private Postsecondary Education				
No Changes	--		--	--

State Board of Psychologist Examiners				
Equipment	OF		(7,600)	0

Department of Public Safety				
Elimination of One-time Equipment	GF		(1,949,000)	
Rebase Retirement	GF		(2,495,600)	
Mobile Data Computers	GF		(378,600)	
Officer Pay Plan – Promotions	GF		539,500	
Sex Offender Compliance	GF	4 FTE	187,600	
Sworn Officer Pay Adjustment	GF		2,000,000	
Motorist Assist & Detention Officers	GF	4 FTE	250,000	
Background Investigator/Polygraph Examiner	GF		389,500	
Criminal Justice Services Personnel	GF		595,800	
Non-ferrous Material Theft	GF		150,000	
Border Security – GITEM	GF		2,500,000	
Tribal Partnerships	GF		150,000	
Rebase Retirement	OF		(373,700)	
Sworn Officer Pay Adjustment	OF		672,900	
Helicopter Lease-Purchase Agreement Expiration	OF		(764,900)	
Crime Lab Staff	OF	10 FTE	1,219,500	
Crime Lab Equipment	OF		133,100	

Arizona Department of Racing				
Increased Expenditure Caps	OF		172,000	172,000

Radiation Regulatory Agency				
One-time Funding	GF		(73,000)	(73,000)
Nuclear Emergency Management Fund	GF		(520,200)	(520,200)
Radioactive Compliance Staff	GF		73,200	126,500
X-Ray Compliance Staff	GF		73,200	54,200

Arizona Rangers' Pensions				
No Changes	--		--	--

State Real Estate Department				
Licensing Staffing	GF		115,200	178,300
Complaint Processing	GF		205,000	190,800
Investigations Staffing	GF		49,200	44,500
IT Update	GF		44,300	75,600

Residential Utility Consumer Office				
No Changes	--		--	--

Board of Respiratory Care Examiners				
Software	OF		1,700	0
Additional Staff	OF		13,400	13,400
ERE Adjustment	OF		14,000	14,000

Arizona State Retirement System				
Standard/Technical	OF		(17,500)	(17,500)
Records Management	OF		130,300	109,300
Investment Management FTE	OF		129,100	122,100
Long-Term Disability Administration	OF		(97,700)	(97,700)
One-time Costs	OF		(383,700)	(383,700)
Fill Vacant Positions	OF		231,200	462,300
Increased Salaries, Reclassifications & Overtime	OF		437,100	437,100
Technology Upgrades	OF		678,800	1,154,800

Department of Revenue				
Lease-Purchase Rent	GF		737,800	(930,500)
Health Insurance Premium Tax Credit Admin.	GF		(45,000)	(45,000)
BRITS Operational Support	GF		1,378,300	1,378,300
BRITS One-time Equipment	GF		(354,600)	(354,600)
Revenue Generating Program	GF		1,000,000	1,000,000
One-time Costs	OF		(72,500)	(72,500)
Tobacco Stamps	OF		107,300	147,400

School Facilities Board				
New School Debt Service	GF		(3,766,300)	
New School Construction	GF		120,000,000	
Utility Grants	GF	\$ in BRB	2,500,000	
School Facilities Liaisons	GF		121,500	

Secretary of State				
High Speed Copier	GF		(200,000)	(200,000)
Microfilming and Document Storage	GF		92,000	30,400
Other Operating Expenses	GF		60,000	60,000
Blue Book	GF			20,000
HAVA Appropriation	OF		(5,000,000)	(16,000,000)
Professional Employer Organization FTE	OF		(70,000)	(70,000)

State Boards' Office				
Joint Office Cost Adjustment	OF		79,200	79,200

Structural Pest Control Commission				
IT Services	OF		72,500	60,000
Additional Attorney General Resources	OF		88,800	92,900
IT Equipment	OF		81,800	36,000
Examination Consultant	OF		8,000	8,000
Northern Arizona Office	OF		87,500	61,100
Fund Shift	OF		109,500	109,500
Rent Decrease	OF		(8,800)	(8,800)
Additional Agency Office Space	OF		76,400	26,400
Accounting/Data Entry	OF		0	29,300

State Board of Tax Appeals				
No Changes	--		--	--

State Board of Technical Registration				
Home Inspector	OF		54,600	50,900
Customer Service Rep.	OF		40,900	38,000
Drug Lab Remediation Staff	OF		95,700	89,100

Department of Transportation				
One-time Costs	OF		(670,500)	
Engineer Pay Plan	OF		4,663,000	
Third Party Workload	OF		97,400	
Highway Maintenance Miles/Barriers/Cost Increases	OF		7,464,300	
Customer Service Automation Equipment/VIN	OF		789,500	
Grand Canyon Airport Equipment	OF		253,000	

Grand Canyon Airport Phone System	OF		125,000	
Vehicle Inspection Workload	OF		238,800	
Motor Carrier Workload	OF		488,000	
Camp Verde Maintenance Camp	OF		750,000	
Fraud Investigations	OF		993,400	

State Treasurer				
Justice of the Peace Salaries	GF		173,500	
Portfolio Order Management System	GF		100,000	
Compliance Officer/Internal Officer	GF		125,800	
Business Process Re-engineering	GF		80,000	
IT Equipment Replacement Schedule	GF		79,200	
Remote Journaling	GF		63,000	
Remote Access	OF		33,800	

Commission on Uniform State Laws				
Eliminate Agency	GF		(52,300)	(52,300)

Universities – Board of Regents				
AFAT	GF		2,880,000	
WICHE Subsidies	GF		544,300	
WICHE Administrative Fees	GF		4,000	
Math & Science Teachers	GF		2,250,000	

Universities – ASU – Main Campus				
Enrollment Formula	GF		10,740,900	
Goldwater Papers One-time Funding	GF		(529,000)	
Water Institute One-time Funding	GF		(100,000)	
Research Facility Lease	GF	2003 Law	13,555,000	
Bioinformatics	GF		2,000,000	
Biomedical Campus Phoenix	GF		5,250,000	
Student / Faculty Retention	GF		15,064,000	
Enrollment Growth	OF		7,159,500	

Universities – ASU – East Campus				
Enrollment Formula	GF		3,808,900	
Research Facility Lease	GF	2003 Law	917,000	
Enrollment Growth	OF		2,408,800	

Universities – ASU – West Campus				
Enrollment Formula	GF		1,638,300	
Criminal Justice Studies	GF		1,000,000	
Enrollment Growth	OF		1,006,700	

Universities – Northern Arizona University				
Water Institute One-time Funding	GF		(100,000)	
Enrollment Formula	GF		4,439,400	
Research Facility Lease	GF	2003 Law	5,900,000	
Health Professionals	GF		4,000,000	
Student / Faculty Retention	GF		4,736,000	
Enrollment Growth	OF		2,577,600	

Universities – UA – Main Campus				
Water Institute One-time Funding	GF		(100,000)	
Enrollment Formula	GF		(1,283,000)	
Research Facility Lease	GF	2003 Law	14,253,000	
Biomedical Campus Phoenix	GF		5,250,000	
Student / Faculty Retention	GF		10,000,000	
Retain U of A South Funding	GF		0	
Enrollment Growth	OF		(803,400)	

Universities – UA – Health Sciences Center				
Enrollment Formula	GF		677,800	
College of Medicine Phoenix	GF		6,000,000	
College of Pharmacy Phoenix	GF		1,500,000	
Telemedicine	GF		1,000,000	
Enrollment Growth	OF		465,900	

Department of Veterans' Services				
Eliminate One-time Equipment	GF		(91,000)	(91,000)
Veterans' Benefit Counselors	GF		985,400	928,400
Northern Arizona Veterans' Cemetery	GF		(182,700)	(182,700)
Agency Support Staff	GF		444,900	417,900
Fiduciary Operating Costs	GF		242,300	242,300
Pearl Harbor Memorial	GF		(69,000)	(69,000)
Veterans' Home	GF		3,457,900	2,855,000

Veterinary Medical Examining Board				
Equipment Replacement	OF		11,500	0
Professional and Outside Services	OF		4,400	6,400

Department of Water Resources				
Retain Assured Fee Offset One-time Funding	GF		0	0
Adjudication Support One-time Funding	GF		1,000,000	1,000,000
Conservation and Drought Programs	GF		500,000	491,200
Water Protection Fund	GF		1,000,000	2,000,000
New Water District	GF		250,000	0

Department of Weights and Measures				
One-time Equipment	GF		(22,000)	(22,000)
Lab Accreditation	GF		11,400	0
New Equipment	GF		22,000	22,000
Rent Increases	OF		28,000	28,000
Computer Equipment	OF		(4,600)	15,600
In-state Travel	OF		13,600	13,600
Ultra-Low Sulfur Diesel Testing	OF		20,800	20,800
Phone Upgrade	OF		22,600	0

**Other Appropriations and Fund Deposits**

- Appropriates \$850,000 from the state General Fund in FY 2007-08 as one-time funding to the Department of Revenue for distribution to towns with a population of 1,500 persons or less. Specifies how the monies are to be distributed.
- Appropriates \$100,000 from the state General Fund in FY 2007-08 as one-time funding to the Department of Veterans' Services for distribution to the City of Tucson to match the city donation for a World War II memorial. Exempts the appropriation from lapsing.
- Appropriates \$62,000,000 from the state highway fund in FY 2007-08 for deposit in the state transportation acceleration needs (STAN) account.

Other Operating Adjustments			
Area of Adjustment	GF	OF	Total
State Employee Health Insurance	20,245,000	7,000,000	27,245,000
State Employee Retirement	16,000,000	3,200,000	19,200,000
State Employee Salaries	68,755,000	18,000,000	86,755,000
State-owned Space Rent	2,801,000	1,000,000	3,801,000
State Telecommunications (AZNet)	5,509,800	0	5,509,800
State Lease-purchase and Privatized-lease-to-own	995,100	0	995,100
Human Resources Pro-rata	242,100	135,000	377,100
Risk Management	1,753,000	0	1,753,000
Assistant Attorney General Salary	2,595,800	2,147,800	4,743,600

- Contains operating adjustment instructions.



**Miscellaneous**

- Contains reporting requirements.
- Contains definition sections.

**HB 2782 – Chapter 256 – \*fiscal year 2006-2007; supplemental appropriations**

Provides state General Fund (GF) and Other Fund (OF) supplemental appropriations for FY 2006-07.

***Department of Administration***

<b>Supplemental Purpose</b>	<b>GF</b>	<b>OF</b>
Payment of an Internal Revenue Service tax settlement	-	1,937,000
Utility costs	1,700,000	-

***Department of Economic Security***

- Appropriates \$19,700,000 from the state General Fund in FY 2006-07 to the Department of Economic Security to replace a loss in federal funds for the foster care program associated with the Deficit Reduction Act of 2005. Stipulates how the \$19,700,000 will be allocated.

***Department of Economic Security Long Term Care***

- Appropriates \$3,000,000 in expenditure authority of federal monies in FY 2006-07 to the Department of Economic Security Home and Community Based Services line item in the Long-Term Care Cost Center.

<b>Supplemental Purpose</b>	<b>GF</b>	<b>OF</b>
Home and community based services	-	8,800,000

***Department of Corrections***

<b>Supplemental Purpose</b>	<b>GF</b>	<b>OF</b>
Operating costs for inmate health care	9,656,000	-

***Attorney General – Department of Law***

<b>Supplemental Purpose</b>	<b>GF</b>	<b>OF</b>
Operating costs relating to pro rata charge revenues	261,500	-

***Department of Revenue***

<b>Supplemental Purpose</b>	<b>GF</b>	<b>OF</b>
Litigation expenses	-	1,000,000

- Exempt from the lapsing of appropriations.

***Department of Emergency and Military Affairs/Project Challenge***

- Exempts appropriations made in FY's 2005-2006 and 2006-2007 in the amount of \$500,000 from the lapsing of appropriations through June 30, 2008.

***Board of Respiratory Care Examiners***

<b>Supplemental Purpose</b>	<b>GF</b>	<b>OF</b>
Health related and other operating expenses	-	30,000

***Arizona Medical Board***

<b>Supplemental Purpose</b>	<b>GF</b>	<b>OF</b>
Litigation expenses	-	326,000

- Exempt from the lapsing of appropriations through June 30, 2009.

**HB 2783 – Chapter 257 – \*appropriations; capital outlay**

HB 2783 appropriates \$13,341,300 in other funds (OF) for maintenance and repair of state buildings. This bill also appropriates \$289,984,700 OF and \$10,434,500 from the state General Fund (GF) in FY 2007-08 and \$4,207,000 GF in FY 2008-09 for various capital projects. Additionally, this bill authorizes \$39,000,000 in lease purchase agreements for certain capital projects. Finally, HB 2783 contains various provisions related to implementing the appropriations outlined in the bill.

***Building Renewal***

- Appropriates the following amounts for major maintenance and repair activities for state buildings in FY 2007-08:
  - **Department of Administration (ADOA)**
    - \$7,257,100 from the Capital Outlay Stabilization Fund
  - **Department of Transportation (ADOT)**
    - \$3,777,100 from the State Highway Fund
    - \$141,100 from the State Aviation Fund
  - **Arizona Exposition and State Fair Board**
    - \$1,631,800 from Arizona Exposition and State Fair Fund
  - **Game and Fish Department**
    - \$474,200 from the Game and Fish Fund
  - **Arizona Lottery Commission**
    - \$60,000 from the State Lottery Fund

***Capital Projects***

<b>Department</b>	<b>Project</b>	<b>Fund Sources</b>	<b>Amount</b>
<b><i>Arizona Department of Administration</i></b>	Prison Cell Lock and Door Replacement	General Fund	5,200,000
	HVAC and Electrical Renovations	General Fund	885,000
	Tucson Office Building Renovations	Risk Management Revolving Fund	1,500,000
<b>Total (ADOA)</b>			7,585,000

<b><i>Game and Fish Department</i></b>	Boat Shade Canopies	Watercraft Licensing Fund	195,000
	Boat Registration Kiosks	Watercraft Licensing Fund	240,000
	Shooting Range Access Improvements	Game & Fish Capital Improvement Fund	150,000
	Statewide Preventative Maintenance	Game & Fish Fund	30,000
	Headquarters Construction	Watercraft Licensing Fund	80,000
	Beker Lake Facilities Improvements	Game & Fish Capital Improvement Fund	120,000
	Beker Lake Wildlife Area Bridge	Game & Fish Capital Improvement Fund	52,000
	Flagstaff Office Remodel	Game & Fish Capital Improvement Fund	1,050,000
	Seven Mile Shooting Range	Game & Fish Capital Improvement Fund	48,000
	Robbins Butte Levee	Game & Fish Capital Improvement Fund	228,000
<b>Total (G &amp; F)</b>			2,193,000
<b><i>Arizona Department of Transportation</i></b>	State Highway Construction	State Highway Fund	239,801,800
	Airport Planning and Development	State Aviation Fund	25,306,000
	Payson Motor Vehicle Division Service Center	Arizona Highway User Revenue Fund	1,229,400
	Surprise Motor Vehicle Division Service Center	Arizona Highway User Revenue Fund	3,956,300
	De-Icer Buildings	State Highway Fund	1,850,000
	Oil and Asphalt Storage Tanks	State Highway Fund	1,365,000
	Vehicle Wash Systems	State Highway Fund	2,021,300
	Safford Vehicle Maintenance Shop	State Highway Fund	3,215,000
	Far Southeast Valley Multiuse Facility	Arizona Highway User Revenue Fund	1,511,900
		State Highway Fund	5,190,000
	Grand Canyon Airport Restroom Renovations	State Aviation Fund	210,000
	Grand Canyon Airport Water Storage Tank Renovations	State Aviation Fund	635,000
<b>Total (ADOT)</b>			286,291,700

- Requires the Arizona Game and Fish Department to conduct a study to determine the feasibility of developing a shooting range in Sunflower, AZ and report the findings to the Joint Committee on Capital Review (JCCR) by October 15, 2007.

#### ***Department of Administration (ADOA)***

- Appropriates \$2,207,000 from the GF in FY 2007-08 and FY 2008-09 to ADOA for renovation of the old health laboratory.
- Requires ADOA to submit the scope and estimated cost of the old health laboratory renovation project to JCCR.
- Authorizes ADOA to enter into a lease purchase agreement not to exceed \$39,000,000.
- Requires that the lease purchase agreement does not exceed 15 years and the first debt service does not occur until FY 2008-09.
- Allocates from the lease purchase proceeds \$6,800,000 for prison water and wastewater projects and \$32,200,000 for a new forensic unit and infrastructure improvements at the Arizona State Hospital.

#### ***Department of Economic Security (DES)***

- Appropriates \$142,500 from the GF in FY 2007-08 to DES for distribution to the Hopi tribe as one time funding for the design of an assisted living center.
- Appropriates \$1,000,000 from the GF in FY 2007-08 and FY 2008-09 to DES for distribution to the Navajo Nation for a multipurpose center. Exempts the appropriation from lapsing.

#### ***Office of Tourism***

- Appropriates \$1,000,000 from the GF in FY 2007-08 and FY 2008-09 to the Office of Tourism for distribution to the City of Yuma for the completion of the Arizona Welcome Center authorized by Laws 2006, chapter 335, section 1.
- Exempts the appropriation from lapsing.

#### ***Department of Administration Reports***

- Directs ADOA to report on the status of project-specific full time equivalent (FTE) positions for capital projects in its annual budget request.
- Allows ADOA to allocate FTE positions authorized for specific projects to other projects as long as the cost of the positions is allocated among the projects and ADOA reports any FTE reallocation to the JCCR by December 31, 2007.

#### ***General Provisions***

- Stipulates that the monies appropriated shall not be used for personal services or employee-related expenditures of state employees, excluding services provided as part of the inmate construction program for correctional facilities.
- Specifies that, unless otherwise specified, the appropriations do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned, or the appropriation stands for a full fiscal year without an expenditure or an encumbrance.

## **HB 2785 – Chapter 259 – \*budget reconciliation; budget procedures**

Makes various changes related to budget procedures within state government necessary to implement the FY 2007-08 state budget.

### ***Department of Administration***

#### ***Telecommunications Fund Infrastructure Investment Account***

- Clarifies that all expenditures, including expenditures from sub-accounts or private accounts established by the agency such as the Infrastructure Investment Account, are subject to legislative appropriation.

#### ***Personnel Division Agency Pro Rata Charge***

- Increases the pro rata rate charged to agency payrolls to support the Personnel Division from 1.04 percent to 1.07 percent.

### ***Commission on Uniform State Laws***

- Repeals the Commission on Uniform State Laws.

### ***Department of Commerce***

#### ***Greater Arizona Development Authority (GADA)***

- Redefines *infrastructure* to mean any land, building or other improvement, and equipment or other personal property that will make up part of an in-state facility for public use.
- Authorizes the GADA board to issue bonds for acquiring or equipping infrastructure, in addition to the current authority to bond for the construction or improvement of infrastructure.
- Allows, instead of requires, the GADA board to direct the state treasurer to divest monies in the fund as necessary and apply the proceeds to make payments current on the bonds.
- Eliminates the requirement that financial assistance through GADA can only be made available when projects are ready for construction. Instead, financial assistance is made available when the applicant is ready to proceed.
- Permits GADA to provide financial assistance in order to acquire, improve or equip infrastructure, rather than only to develop, construct or refinance the infrastructure.
- Authorizes a GADA loan repayment agreement to also include a lease-purchase agreement.
- Eliminates the stipulation that, in the event of default on a loan, assets used to secure a loan by an Indian tribe are subject to execution by the Attorney General without a waiver of any claim of sovereign immunity.
- Conditions financial assistance on approval of voters in a county with a population of more than 200,000 persons.

#### ***Military Base Economic Study***

- Exempts a FY 2006-07 appropriation to the Department of Commerce for a military base economic impact study from lapsing.

### ***Department of Economic Security (DES)***

- Amends FY 2006-07 session law so the appropriation to the Navajo senior center non-lapsing.
- Reappropriates any unspent FY 1998-99 Chilchenbeto senior center appropriated monies to DES for additional funding for the design of Navajo senior centers.

### ***Department of Emergency and Military Affairs (DEMA)***

- Increases the uniform and equipment allowance for National Guard officers from \$75 to \$250.
- Stipulates that officers shall be eligible for the allowance on the date they receive a commission or warrant and then each year on April 1 if they are on record as of January 1.
- Appropriates \$250,000 from the state General Fund in FY 2007-08 and FY 2008-09 to DEMA for the allowance increases.

### ***Government Information Technology Agency (GITA)***

- Requires project changes and contract amendments to be approved by the Information Technology Authorization Committee if associated costs exceed \$1,000,000.
- Directs GITA to submit the fiscal provisions of any new state web portal contract for review by the Joint Legislative Budget Committee after executing but before implementing the contract. Applies retroactively to June 30, 2007.
- Creates the Statewide Information Security and Privacy Office within GITA to serve as the strategic planning, facilitation, and coordination office for state information technology security.
- Stipulates that the office shall develop, implement, maintain and ensure compliance of a statewide plan for information security and privacy.
- Requires the office to:
  - identify security risks within each budget unit and direct each agency to develop risk mitigation strategies and procedures;
  - monitor and report compliance of each budget unit;
  - coordinate information security and privacy protection awareness and training programs;
  - develop strategies, as necessary, to protect state information technology and stored data.
- Enables the GITA director to appoint and oversee a statewide chief information security officer to manage the office.
- Allows the office to temporarily suspend the operation of infrastructure owned, leased, outsourced or shared in order to isolate or prevent a security breach.
- Requires each budget unit to identify and report security incidents to the office immediately.
- Appropriates \$500,000 and 3 FTE positions from the GF in FY 2007-08 and FY 2008-09 and exempts the FY 2007-08 appropriation from lapsing.
- Directs GITA to issue an RFP on or before September 30, 2007 for solutions to encrypt stored data of personal information for all state agencies that maintain more than 10,000 records.
- States that bids must be due by November 30, 2007.

#### ***Department of Revenue***

- Requires JLBC authorization for any Business Reengineering/Integrated Tax System (BRITS) contract extensions or modifications that increase the contractor's share of gain-sharing proceeds from state revenues.

#### ***Arizona State Retirement System***

- Extends the lapsing date of the Information Technology Plan appropriation from June 30, 2007 to June 30, 2008.

#### ***Secretary of State***

- Directs elections officers, for each election, to provide a live video recording of the custody of all ballots from the time they arrive at the counting center to the time all ballots are tabulated.
- Requires the Secretary of State to post the ballot monitoring video coverage on the Secretary of State's website for public record.
- Appropriates \$75,000 from the GF in FY 2007-08 for the Secretary of State to distribute to each county to carry out the provisions of this section.

#### **HB 2786 – Chapter 260 – \*budget reconciliation; general revenues**

Makes changes related to state revenues necessary to implement the FY 2007-08 state budget.

#### ***Department of Administration (ADOA)***

- Requires the Department of Administration to reconcile the state General Fund (GF) reporting in the Comprehensive Annual Financial Report to the Annual Financial Report.

#### ***Department of Commerce***

- Appropriates \$25,000,000 from the GF in each fiscal year from FY 2007-08 through FY 2010-11 to the 21<sup>st</sup> Century Fund and then appropriates the same money to the Commerce and Economic Development Commission.
- Requires that before expending the \$25,000,000 appropriation to the Commerce and Economic Development Commission there must be matching private or philanthropic investments equivalent to \$25,000,000 or more.

#### ***Department of Economic Security (DES)***

- Directs that, from the state lottery fund, \$1,000,000 or the remaining balance of the fund after other statutory appropriations, whichever is less, is to be appropriated to DES for grants to nonprofit organizations, including faith based organizations, for homeless shelters.
- Requires DES, on or before December 31 of each year, to submit a report on the amounts, recipients, purposes, and results of each grant to the Governor, the Speaker of the House of Representatives, the President of the Senate, the Secretary of State and the Director of the Arizona State Library, Archives and Public Records.

#### ***Department of Insurance***

- Continues to suspend the 95%-110% fee revenue requirement in FY 2007-08 and FY 2008-09.

#### ***Department of Real Estate***

- Continues to suspend the 95%-110% fee revenue requirement in FY 2007-08.

### ***Department of Revenue (DOR)***

- Decreases the abandonment period for corporate bonds from 5 to 3 years.
- Specifies a 3 year holding period for dividends and other interests on unclaimed securities.
- Allows DOR to sell unclaimed securities upon their receipt.
- Eliminates the requirement for DOR to pay appreciation to claimants if securities are sold prior to the 3 year holding period.
- Entitles claimants to the net proceeds from the sale of securities.
- Requires all proceeds from the sale of securities in FY 2007-08 be deposited into the state GF.

### ***Miscellaneous***

- Requires any unrestricted federal monies received May 1, 2007 through June 30, 2008 to be deposited in the state General Fund for the payment of essential government services.

### **HB 2787 – Chapter 261 – \*budget reconciliation; criminal justice**

Makes various changes related to criminal justice necessary to implement the FY 2007-08 state budget.

### ***DNA Testing***

- Requires law enforcement to secure a sample for deoxyribonucleic acid (DNA) testing from a person arrested for various offenses and further requires the arresting agency to transmit the DNA sample to the Department of Public Safety (DPS).
- States that if a judicial officer releases a person charged with any of the offenses listed above on the person's own recognizance or on bail, the judicial officer must order the person to report within 5 days to law enforcement to provide a sample for DNA testing purposes. Requires the court to revoke the person's release if a sample is not provided within 5 days.
- Allows a person who provides a sample under this law to petition the court to order the person's DNA profile and sample to be expunged from the state DNA Identification System if:
  - Criminal charges are not filed within the appropriate period of time.
  - Criminal charges are dismissed.
  - The person is acquitted at trial.
- Prohibits the person from being eligible to petition if the person has been arrested or charged with another offense that would require DNA testing or if the person has been convicted of another offense that requires DNA testing.
- Makes the new DNA testing requirements effective on January 1, 2008.
- Strikes the current provision allowing a person convicted of a felony designated as a misdemeanor to petition the court to have that person's DNA profile expunged from the Arizona DNA Identification System.
- Increases the surcharge on all fines, criminal offenses and civil penalties for traffic violations to 7 percent until December 31, 2011 and sets the surcharge at 6 percent thereafter.



- Appropriates the following amounts to DPS for equipment purchases, personal services, employee-related expenses, training and other operating expenses and capital improvements to implement, conduct and maintain DNA testing:
  - \$1,980,000 in FY 2007-08
  - \$2,980,000 in FY 2008-09
  - \$3,484,000 in FY 2009-10
  - \$3,440,000 in FY 2010-11
  - \$3,520,000 in FY 2011-12
- Stipulates these appropriations come from the additional 4 percent surcharge implemented by this legislation.

### ***Department of Corrections (ADC) & Department of Administration (ADOA)***

#### ***Private Beds***

- Repeals Laws 2006, Chapter 248, §4, which authorized ADOA to issue an RFP for 3,000 prison beds to open in April 2008. This section contained the timeline for awarding and executing contracts for the 3,000 beds, along with an appropriation of \$11,193,000 from the GF to ADOA in FY 2007-08 for bed per diem costs, conditional upon ADOA executing a contract for the beds.
- Requires ADOA, in consultation with ADC, to revise the RFP from Laws 2006, Chapter 248, §4 to eliminate:
  - The requirement that ADC be an eligible bidder; and,
  - Any opening date requirements.
- Requires ADOA to reissue the revised RFP to contract for 2,000 private prison beds. Allows vendors to bid for all or a portion of the 2,000 beds.
- Stipulates ADC shall assume contract responsibilities for ADOA after the contract is executed.
- Requires the directors of ADC and ADOA to jointly submit a report at the end of each quarter to the JCCR on the status of implementation for both the private and public beds. Continues to require the joint reports until all beds authorized by this legislation are open.
- States the intent of the Legislature to fully fund the contracts entered into by ADC.

#### ***Public Beds***

- Allows the Director of ADOA to enter into a 20 year lease-purchase agreement for the issuance of certificates of participation (COPs) not to exceed \$200 million to design/construct no more than 4,000 state-owned prison beds.
- Requires ADOA to structure the COPs so the first debt-service payment does not occur until FY 2008-09.
- Includes within the projects all related infrastructure and buildings.
- Allows ADOA to allocate up to \$275,000 and 4 FTEs to oversee and manage the project.
- Allows monies from the COPs to be considered state matching monies for purposes of securing federal monies.

- Requires ADOA to work with ADC to coordinate the timeline for the public prison projects with the timeline for contracting for the 2,000 private beds described above.

*Budget Structure and Reporting*

- Requires the directors of ADC and ADOA to jointly submit a report at the end of each quarter to the JCCR on the status of implementation for both the private and public beds. Continues to require the joint reports until all beds authorized by this legislation are open.
- Requires ADC to report actual FY 2006-07, estimated FY 2007-08, and requested FY 2008-09 expenditures for each line item as delineated in the FY 2007-08 General Appropriations Act when submitting the department's FY 2008-09 budget request. Mandates that the information submitted for each line item must contain as much detail as was submitted in prior years for prior line items.

***Correctional Officers Retirement Plan (CORP)***

- Provides ordinary disability benefits to members of CORP, effective from and after June 30 of the year that follows the actuarial valuation of CORP that determines the ratio of funding to liabilities is at least 100 percent.
- Prohibits a member from receiving these benefits if the member is participating in the Reverse Deferred Retirement Option Plan.
- Prescribes the formula for calculating the amount of ordinary disability pension for members.

***Attorney General (AG)***

- Changes the pro rata share that state agency funds pay into the Attorney General Legal Services Cost Allocation Fund from 0.635 percent to 0.675 percent of the total payroll. Makes this change retroactive to July 1, 2007.
- Allows the AG to use monies in the Collection Enforcement Revolving Fund for operating expenses incurred by the Department of Law in FY 2007-08 and FY 2008-09. Requires monies used from the Anti-Racketeering Revolving Fund for capital projects in excess of \$1 million to be subject to review by JCCR.

***Board of Executive Clemency***

- Requires the Chairman of the Board of Executive Clemency (Board) to also act as the Executive Director of the Board during FY 2007-08 and FY 2008-09.

***Justice of the Peace Salaries***

- Provides that in FY 2007-08, the state shall pay 38.5 percent and the county shall pay 61.5 percent of the compensation and employee related expenditures for justices of the peace. Requires the county to pay the full amount of employer contribution to the Arizona State Retirement System or any county health plan.

***Department of Public Safety (DPS)***

- Requires DPS and ADOA to report jointly to JLBC by December 1, 2007 on the feasibility of transferring Capitol Police personnel to DPS.
- Directs 9 percent of the Criminal Justice Enhancement Fund distribution from the GF to the Crime Laboratory Assessment Fund in FY 2007-08. States that these monies are for use by the DPS and are exempt from distribution to political subdivisions.

**HB 2788 – Chapter 262 – \*budget reconciliation; environment**

Makes changes related to the environment necessary to implement the FY 2007-08 state budget.

- Creates the Community Protection Initiative Fund (Fund) and requires the State Forester to administer the Fund. Appropriates \$1 million from the GF to the Fund for FY 2007-08.
- Establishes the Community Protection Initiative Program (Program) to provide a source of cost-share funding to assist local governments and private landowners in reducing the volume of hazardous fuels on nonfederal forested land in this state.
- Specifies the State Forester is responsible and must provide the management of the Program.
- Requires the State Forester maintain a list of communities at-risk of wildfire and issue grants from the Fund to at-risk communities.
- Stipulates that the State Forester must prioritize the grants according to the community's available resources and outlines the requirements to which the grants are subject.
- Requires the State Forester to prepare an annual report on the Program and submit it to the Legislature, the Governor, the Joint Legislative Budget Committee, the Secretary of State and the Arizona State Library, Archives and Public Records.
- Extends the appropriation of the reclamation plan application fees for the reclamation plan review and evaluation from July 1, 2007 until July 1, 2008.
- Increases the cap for monies that may be paid from the Livestock and Crop Conservation Fund for administrative costs from 5 percent to 10 percent.
- Suspends the administrative cap for reimbursement from the Underground Storage Tank (UST) Assurance Account for FY 2007-08 and FY 2008-09 and allows the Arizona Department of Environmental Quality (ADEQ) to use \$6,531,000 for the administrative costs of the UST Leak Prevention Program and Used Oil Program funding.
- Suspends the statutory requirement to deposit \$5 million from the state General Fund into the Water Protection Fund for FY 2007-08 and FY 2008-09.
- Provides that all appropriated monies to the State Parks Enhancement Fund are available to operate State Parks in FY 2007-08 and FY 2008-09. Monies may also be used for capital needs if approved by the State Parks Board and Joint Committee on Capital Review.
- Allows the State Parks Board to spend up to \$692,100 from the State Parks Board portion of the Off-Highway Recreation Fund for agency operating costs in FY 2007-08 and FY 2008-09.
- Exempts the \$50,000 appropriation to the Arizona Navigable Stream Adjudication Commission for appeals to the Commission decisions in FY 2005-06 from lapsing.
- Requires ADEQ and the Water Infrastructure Finance Authority to assist municipalities that are mediating discharged, untreated or improperly treated wastewater into the groundwater that may have an actual or potential impact on the Colorado River and that are converting from septic or other wastewater treatment systems to an approved sewer system. Allows replacement of existing 20-year loans and obtaining 30-year loans under the Clean Water Program.

## **HB 2789 – Chapter 263 – \*budget reconciliation; health and welfare**

Includes provisions related to the budget for health and welfare. Affected state agencies include the Arizona Health Care Cost Containment System (AHCCCS), the Department of Health Services (DHS), the Department of Administration (DOA), the Department of Economic Security (DES), and the Department of Insurance (DOI).

### ***Department of Insurance***

#### ***Small Business Health Insurance Plans (SBHIPs)***

- Strikes the definition of *small business* and replaces it with a definition of *uninsured small business* which does the following:
  - Expands the eligible group size for SBHIPs to 50 employees.
  - Clarifies that an employer must not provide health insurance to its employees for at least 6 months immediately prior to the effective date of coverage under a SBHIP to qualify for a SBHIP, and stipulates this requirement does not apply upon renewal of coverage.

#### ***Healthcare Group (HCG)***

- Requires DOI to conduct a financial examination of HCG as if it was a Health Care Services Organization and submit a report of its findings by February 15, 2008.

### ***Arizona Health Care Cost Containment System***

#### ***Eligibility***

- Increases to 150 percent of the federal poverty guidelines, the limit under which a pregnant woman is eligible for AHCCCS.
- Appropriates \$1.8 million from the General Fund (GF) in FY 2007-08 to AHCCCS for the increase in the income eligibility limit for pregnant women, and provides \$3,536,500 in expenditure authority of federal monies for the same purpose.

#### ***Graduate Medical Education (GME)***

- Limits the monies available for GME programs to levels not to exceed the FY 2006-07 appropriation adjusted annually by the increase or decrease in the Global Insight Hospital Market Basket Index for prospective hospital reimbursement, except as otherwise specified.
- Stipulates monies appropriated for GME above a certain level shall be distributed to hospitals in the following manner:
  - For the direct costs of GME programs approved by AHCCCS established or expanded after July 1, 2006.
  - For a portion of additional indirect GME costs for programs approved by AHCCCS and located in counties with populations of less than 500,000 persons, or for a residency position that includes a rotation in such a county.
- Requires GME programs that receive certain funding to report information related to the number of funded residency positions that result in physicians locating their practice in Arizona.
- Permits political subdivisions in Arizona to provide monies for GME in order to qualify for additional federal matching funds for programs at a specific institution that are approved by AHCCCS, and requires AHCCCS to report by July 1 of each year the number of residency positions funded by political subdivisions and federal matching funds.
- Allows AHCCCS to reallocate appropriated funds to cover appropriate GME costs.
- Exempts AHCCCS from rulemaking until December 31, 2008 to phase in GME methodology.

#### *Eligibility Redetermination*

- Requires the AHCCCS administration to redetermine the eligibility of members twenty-one years of age or older every six months who are also subject to eligibility redetermination for Temporary Assistance for Needy Families (TANF) by the DES.
- Stipulates that eligibility redeterminations for the AHCCCS shall begin on the effective date and occur simultaneously with eligibility redeterminations for TANF.
- States the AHCCCS shall report to the Speaker of the House, the President of the Senate, and the Joint Legislative Budget Committee (JLBC) by February 10, 2008 on the effects through January 2008 of changing the redetermination period.

#### *Outlier Hospital Reimbursement Rates*

- Mandates the inclusion of a mechanism for the payment of claims with extraordinary operating costs per day.
- Requires the outlier cost thresholds to be adjusted annually by the Global Insight Hospital Market Basket Index.
- Stipulates that the AHCCCS shall phase in the use of the most recent statewide urban and statewide rural average Medicare or Medicare-approved cost-to-charge ratios to qualify and pay extraordinary operating costs starting October 1, 2007, and completing the implementation by October 1, 2009.
- Exempts the AHCCCS from the rule making process until December 31, 2008 to phase in the new outlier reimbursement methodology.
- Indicates cost-to-charge ratios shall be updated annually.
- Excludes routine maternity charges from being eligible for outlier reimbursement.
- Requires AHCCCS to work with impacted stakeholders, including hospitals and health plans, to evaluate whether certain services should be excluded from outlier payments or paid under a different methodology, and to report its findings to the JLBC by December 31, 2007.

#### *Healthcare Group (HCG)*

- Imposes a temporary enrollment limit of 9,500 employer groups between July 1, 2007 and the general effective date.
- Freezes enrollment in the HCG until July 31, 2008 on the general effective date.
- Clarifies that *administrative costs* incurred by the AHCCCS to operate the HCG includes all costs to supervise the work done by private health plans and fee-for-service network providers.
- Establishes a HCG Study Committee (Committee) to examine the HCG's financial and operational issues and the feasibility of establishing a risk pool or converting the HCG into a risk pool, specifies the membership and charge of the Committee, and requires a report of findings and recommendations be submitted by December 15, 2007 to the Governor, the Speaker of the House, and the President of the Senate.

- Stipulates that if a contract does not exist between a HCG contractor and a provider, the default reimbursement rate shall be 114 percent of the AHCCCS reimbursement rate.
- Repeals the Committee and the reimbursement rate requirements on July 31, 2008.

#### *Health Care Insurer (HCI) Reporting Requirements*

- Requires HCIs to provide all enrollment information necessary to determine the time period in which a person eligible for the AHCCCS may be or may have been covered by the HCI.
- Stipulates a HCI shall accept the State's right of recovery from a third party payor for an item or service for which payment has been made by the AHCCCS.
- Indicates a HCI shall respond to an inquiry made by the AHCCCS regarding a claim for payment for service that is submitted not later than three years after the provision of service, if the AHCCCS reasonably believes the individual receiving the service was insured by the HCI on the date of the service referenced in the claim.
- Restricts a HCI from denying a claim submitted by the State if it was submitted within three years of the provision of service, and an action by the State to enforce its rights was commenced within six years of the claim having been submitted.
- Stipulates that the AHCCCS shall publish a report by January 1<sup>st</sup> of each year regarding HCIs' compliance with their reporting requirements, specifies that the information received by the AHCCCS from HCIs must remain confidential in compliance with federal law, and defines *HCI* for the purpose of these reporting requirements.
- Includes an effective date of February 29, 2008.

#### *Temporary Medical Coverage Program*

- Eliminates legislative appropriations from the pool of monies that may comprise the Temporary Medical Coverage Fund.

#### *Outreach Activities*

- Clarifies that school districts may perform outreach and information activities with the permission of the school principal and school district.
- Allows the AHCCCS and its contractors to collaborate with community and faith-based organizations and schools and school districts for outreach and information activities.
- Specifies that outreach and information activities shall not include delivery of services, screening activities, eligibility determinations, or enrollment in the AHCCCS.
- Indicates outreach and information activities do include promotion of health care coverage, participation in school events, and distribution of applications and materials to pupils and their families.
- Clarifies that outreach and information activities conducted by the AHCCCS and its contractors shall not reduce or interfere with classroom instruction time.

#### *AHCCCS Disproportionate Share (DSH) Payments*

- Specifies DSH payments for FY 2007-08 include the following:
  - \$89,439,900 for a qualifying nonstate operated public hospital.
  - \$28,474,900 for the Arizona State Hospital (ASH).
  - \$26,147,700 for private qualifying DSH hospitals.
- Stipulates the Maricopa County Special Health Care District (MCSHCD) and the ASH shall provide certified public expense forms for the amount of qualifying DSH expenditures made on behalf of the state to the AHCCCS by June 1, 2008 and March 31, 2008 respectively.
- Requires the AHCCCS to assist the MCSHCD and the ASH in determining the amount of qualifying DSH expenditures.
- Indicates how the funds the MCSHCD qualifies for shall be distributed depending on the accuracy of the certification as follows:
  - If the certification is accurate, \$4,202,300 to the MCSHCD and the remainder in the GF.
  - If the certification is for an amount less than \$89,439,900, and is found by the AHCCCS to be inaccurate, then all the funds are to be deposited in the GF.
- States that all the DSH funds the ASH qualifies for are to be deposited in the GF.

#### *County Acute Care Contributions*

- Specifies the amounts the counties shall contribute for the provision of hospitalization and medical care for FY 2007-08 totaling \$51,098,200.
- Indicates that if the counties do not provide the required funds, the State Treasurer will deduct the respective county's required contribution plus interest from that county's portion of shared revenues, not to include that county's portion of Highway User Revenue Fund revenues.
- Stipulates the schedule by which payments shall be made, the funds into which the State Treasurer shall deposit the payments, and the procedure to follow to return or reduce payments if the payments exceed the costs incurred by the AHCCCS.
- States that it is the Legislature's intent to have the Maricopa County contribution reduced in each subsequent year according to changes in the GDP price deflator.

#### *County Long-term Care Contributions*

- Specifies the amounts the counties shall contribute for the provision of long-term care for FY 2007-08 totaling \$238,563,200.

#### *Withholding of State Shared Revenues*

- Requires the State Treasurer to withhold transaction privilege tax revenues in specified amounts from each county other than Maricopa, totaling \$2,646,200, for the provision of hospitalization and medical care services administered by the AHCCCS.

#### State Children's Health Insurance Program (SCHIP) Parental Eligibility

- Allows parents of children enrolled in the AHCCCS or the SCHIP to apply for eligibility in the SCHIP for parents (KidsCare Parents) if their income does not exceed 200 percent of the federal poverty level.

- Stipulates that eligibility for and continuation of KidsCare Parents is dependent on the continuation of an enhanced federal matching rate for state monies, and that KidsCare Parents will end on expiration of the enhanced federal matching rate.
- Creates guidelines for AHCCCS to adopt rules to create tiered monthly premiums as follows:
  - For households with incomes between 100-150 percent of the federal poverty guidelines, the premium is equal to 3 percent of net household income.
  - For households with incomes between 150-175 percent of the federal poverty guidelines, the premium is equal to 4 percent of net household income.
  - For households with incomes between 175-200 percent of the federal poverty guidelines, the premium is equal to 5 percent of net household income.
- Clarifies that premiums paid for KidsCare Parents apply to the entire household unit regardless of the number of parents or children participating.

#### *Non-emergency Transportation*

- Requires the AHCCCS to report to the JLBC on the estimated costs of emergency and non-emergency transportation and potential cost-saving modifications to non-emergency transportation utilization by December 15, 2007.

### ***Department of Health Services***

#### *Immunization Rules*

- Stipulates that immunization against Human Papillomavirus is not required for school attendance.

#### *Regional Behavioral Health Authorities (RBHAs)*

- Limits the maximum reimbursement for service provided directly by a RBHA to 30 percent above the AHCCCS fee-for-service rate for the particular service provided.
- Stipulates that behavioral health contractors under contract with the DHS to act as a RBHA may perform only managed care functions, except as allowed by the DHS.
- Prevents RBHAs and their subsidiaries from delivering behavioral health services directly to their clients except as allowed by the DHS, and stipulates that this restriction shall be fully implemented by September 1, 2009.
- Permits the DHS to approve the continuation of direct services provided by a RBHA that has experienced contract performance failures for as long as necessary to assure delivery of uninterrupted care to clients until either:
  - The clients are transitioned to a new provider or other existing providers.
  - The provider in question reorganizes or otherwise corrects the contract performance failure.
- Specifies that the prohibition preventing RBHAs from providing direct services does not apply to those operated by a federally recognized Indian tribe.
- Indicates monies appropriated for FY 2007-08 and after for seriously mentally ill services may not be used for any purposes other than those prescribed by the appropriation.



#### *Competency Restoration Treatment Reimbursement*

- Requires counties with a population of 800,000 or more persons and all cities to reimburse the DHS for 86 percent of the costs the state incurred for defendants' inpatient competency restoration treatment.
- Specifies where the funds shall be deposited, the time by which they shall be deposited, and that the State Treasurer shall withhold the funds including interest from shared revenues if they are not deposited.

#### *Vital Records Electronic Systems Fund (VRESF) Balance*

- Appropriates funds that remain in the VRESF from FY 2005-06 to DHS.

### ***Department of Administration***

#### *Special Employee Health Insurance Trust Fund (SEHITF)*

- Requires DOA to submit a report to JLBC detailing any changes to the type of benefits offered under the health insurance benefit program and associated costs at least 45 days before making the changes and requires the report to include the following:
  - An estimate of the cost or savings associated with the change.
  - An explanation of why the change was implemented before the next plan year.

#### *State Employee Health Insurance Premiums*

- Stipulates that DOA shall not implement a differentiated health insurance premium based on the integrated or nonintegrated status of a health insurance provider available through the state employee health insurance program beginning October 1, 2007.

#### *Health Savings Account (HSA) and Health Reimbursement Account (HRA) Programs Review*

- Requires DOA to design a HSA and a HRA with a qualifying state-sponsored high deductible health plan in accordance with federal law.
- Stipulates the HSA and HRA program designs shall be submitted to JLBC for review by December 1, 2007, and may include multiple options for final implementation.
- Mandates that the average per person employer cost of the HSA and HRA programs must not exceed the average per person employer cost of the self-insured state employee health benefits program for the same fiscal year.
- Outlines what the HSA and HRA program designs shall include.

## ***Department of Economic Security***

### ***Children's Autism Services***

- Allows DES to provide children's autism services for children under 5 who have or are at risk of having autism by entering into contracts with providers who meet the following criteria:
  - An established firm that specializes in autism services that employs at least 5 nationally board certified behavior analysts and utilizes techniques of discrete trial and natural environment intensive behavioral treatment through applied behavioral analysis.
  - An autism and research firm that is based in Arizona and has raised at least \$15 million of private sector monies.

### ***Lifespan Respite Care Program (LRCP)***

- Requires DES to establish a LRCP.
- Stipulates the LRCP shall :
  - Establish a respite program for primary caregivers of individuals who do not currently qualify for other publicly funded respite services.
  - Coordinate with other respite services.
  - Support the growth of a statewide respite coalition.
  - Conduct a study on the need for respite care throughout the lifespan of individuals.
  - Identify local training resources for respite care providers.
  - Link families with respite care providers.
  - Create an evaluation tool for recipients of respite care to assure quality of care.
- Indicates that DES shall establish an advisory committee that includes family caregivers and respite care providers to advise the LRCP on respite care matters.
- Sunsets the LRCP on July 1, 2017.
- Appropriates \$500,000 from the GF in FY 2007-08 and one full-time equivalent position to the DES for the LRCP, and exempts the appropriation from lapsing.

### ***Child Care Assistance Eligibility***

- Allows DES to reduce maximum income eligibility levels for child care assistance in order to manage within available monies, and requires DES to report to JLBC within 15 days of implementing such a change.

## ***Miscellaneous***

### ***Health Insurance Premium Tax Credit (HIPTC)***

- Requires an application submitted to the Department of Revenue for the HIPTC contain or be verified by a written declaration that it is made under the penalties of perjury.
- Increases the time period the initial certificate is valid to 90 days and stipulates that if insurance is obtained within 90 days, the certificate is valid for 1 year from commencement of coverage.
- Includes a retroactivity date until September 21, 2006.

### ***Regenerative Tissue Repository Appropriation***

- Appropriates \$1 million from the GF in each of the FYs from 2007-08 to 2011-12 to the Arizona Biomedical Research Commission (BRC) for centralized public Arizona repositories of diverse types of human stem cells of nonembryonic origin for public use. Stipulates that the BRC shall establish a competitive request for proposal process to establish the repositories.

## **HB 2790 – Chapter 264 – \*budget reconciliation; K-12 education**

Makes various changes related to K-12 education necessary to implement the FY 2007-08 state budget.

### ***Identity Verified Fingerprints***

- Requires each applicant, beginning January 1, 2008, who applies for a new teaching certificate to teach in a school district, applies for a renewal of an existing teaching certificate in order to continue teaching in a school district, is required for the first time to be fingerprinted in order to teach in a charter school, is required to renew fingerprints in order to continue teaching in a charter school and is required to be fingerprinted pursuant to specified laws to submit for an identity verified fingerprinted card to be used by Department of Public Safety (DPS) to process the fingerprints clearance card.
- Appropriates \$125,000 from the state General Fund to DPS in FY 2007-08 to provide digital storage and retrieval of identity verified fingerprints.
- Exempts the appropriation from lapsing.

### ***American Competitiveness Project Fund***

- Establishes the American Competitiveness Project Fund to be administered by the Arizona Department of Education (ADE), consisting of monies deposited in the Fund by ADE.
- Stipulates monies in the Fund are continuously appropriated and are exempt from lapsing.
- Allows ADE to solicit and accept donations, grants, gifts, contributions and devises from individuals, corporations and nonprofit organizations for deposit in the Fund.
- Allows ADE to use monies in the Fund to provide technical assistance and distribute American competitiveness project grants to schools and other local educational agencies offering academic programs that emphasize foreign language acquisition, international business and world history.

### ***Arizona Government Education Fund***

- Establishes the Arizona Government Education Fund to be administered by ADE, consisting of legislative appropriations, gifts, grants and donations. Monies are exempt from lapsing.
- Requires ADE to use Fund monies to contract with third parties to provide for annual, one-week high school civics courses that focus on state government. The courses must be sponsored by a federally chartered national veterans' organization that has at least 50 years of experience in providing this type of civics education, and the courses must be conducted on campuses of public and private postsecondary institutions in Arizona.
- Appropriates \$100,000 from the state General Fund to the ADE for the Fund in FY 2007-08. Exempts the appropriation from lapsing.

### ***Mathematics or Science Achievement Grant Program***

- Establishes the Mathematics or Science Achievement Grant Program within the State Board of Education (SBE) to promote improved pupil achievement in mathematics or science by providing supplemental funding for innovative mathematics or science programs.

- Requires the SBE to implement the following:
  - Develop application procedures, selection criteria and minimum performance standards.
  - Award mathematics or science achievement grants to school districts and charter schools that demonstrate through specific performance measures and supporting data that the proposed programs provide new and innovative ways to increase pupils' mathematics or science skills. School districts and charter schools may contract with a service provider.
  - Give priority to school districts and charter schools that have low mathematics or science achievement scores as measured by the Arizona Instrument to Measure Standards test.
  - By December 15 annually, report to the Governor and the Legislature concerning each grant recipient's Program, and must include an evaluation of the effectiveness of the Program and a comparison of the annual academic achievement of pupils in the grant recipient's Program to pupils in comparable schools who are not in the Program.
- Establishes the Mathematics or Science Achievement Grant Fund to be administered by the SBE, and consisting of monies appropriated for this purpose. Monies in the Fund are exempt from lapsing. The SBE may retain up to 5 percent of the monies appropriated for costs associated with administering the Program.
- Repeals the Program July 1, 2017.

#### ***Instructional Technology Systems Pilot Program***

- Requires the SBE, in collaboration with ADE, to establish the Instructional Technology Systems Pilot Program.
- Allows a school in a school district or a charter school to apply to ADE for participation in the Pilot Program. ADE must recommend the format of the applications and the application procedures and criteria. The SBE must approve the application format and selection criteria.
- Requires ADE to select one school that provides instruction in K-8, after review and approval by the SBE, that has an effective plan that demonstrates commitment to instructional change required to achieve significant performance gains through participation in the Pilot Program and that demonstrates a financial commitment by submitting a budget that shows the amount of funding that the school will contribute to the Pilot Program. The ADE must distribute appropriated monies to the selected school.
- Requires the selected school to use these monies to significantly increase academic performance through the following:
  - To upgrade instructional technology systems in the classroom by addressing all system aspects.
  - To ensure access to one networked computer with broadband internet access to standards established by the Government Information Technology Agency for every pupil in every academic classroom.
  - To provide training to teachers on classroom application and instructional technology.
- Requires ADE to submit an annual update beginning January 1, 2008 summarizing the results of the Pilot Program to the Governor and the Legislature. The update must include a summary of the Pilot Program's impact on the school's budget, including any impact on hard and soft capital spending, expenditures delineated by administration and classroom spending, maintenance and operations and capital spending and the impact on accountability measures, including any academic gains made by pupils as a result of the Pilot Program.

- Repeals the Pilot Program July 1, 2010.
- Appropriates \$1,000,000 in FY 2007-08 to the Fund through ADE from the state General Fund.
- Exempts the appropriation from lapsing.

#### ***Miscellaneous***

- Increases charter school equalization assistance as follows:
  - For students in grades K-8, from \$1,387.25 to \$1,445.25.
  - For students in grades 9-12, from \$1,616.81 to \$1,684.41.
- Removes specified statutorily-established fees the State Board of Education (SBE) may fix and collect for the administration and evaluation of the examination on the Constitutions of the United States and Arizona. The fees for the examination must not exceed the fees assessed by the test publisher.
- Removes specified statutorily-established fees the SBE may fix and collect for the administration and evaluation of the proficiency examination for teaching certificates. The fees for the examination must not exceed the fees assessed by the test publisher. Removes the specification that the proficiency examination contain reading, grammar and mathematics.
- Increases the base level in FY 2007-08 from \$3,133.53 to \$3,226.88.
- Increases the transportation support level per route mile formula.
- Specifies the qualifying tax rate for tax year 2007 for a high school district or a common school district within a high school district that does not offer instruction in high school subjects at \$1.6020 and a unified district, a common school district not within a high school district or a common school district within a high school district that offers instruction in high school subjects at \$3.2040.
- Caps school district FY 2007-08 desegregation budgets at the FY 2006-07 levels plus growth in average daily membership from FY 2005-06 to FY 2006-07 and 2 percent for assumed inflation.
- Funds rapid decline at 50 percent of the formula amount for FY 2007-08.
- Allows the ADE or the Office of the Auditor General to conduct average daily membership audits of school districts and charter schools in FY 2007-08.
- Adds three members to the Arizona E-Learning Task Force.
- Amends the E-Learning Pilot Program to extend the following dates:
  - From December 15, 2006 to December 15, 2007, the date the Task Force must prepare an actionable request for proposals to implement the three-year E-Learning Pilot Program.
  - From the end of the fall semester 2007 to 2008, the date teachers must complete the initial training and professional development component of the Pilot Program.
  - From November 15, 2010 to November 15, 2011, the date the ADE, in cooperation with the E-Learning Task Force, must submit a report to the Legislature and the Governor summarizing the results of the Pilot Program.

- Extends the repeal of the E-Learning Pilot Program and E-Learning Fund from August 31, 2011 to August 31, 2012.
- Allows ADE to distribute monies for the E-Learning Pilot Program in FYs 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11.
- Requires ADE to fund JTEDs in FY 2007-08 at 91.8 percent of the amount of state aid otherwise provided in statutory formulas, and the ADE must reduce applicable budget limits of each affected JTED. No JTED may receive less equalization formula funding for FY 2007-08 than it received in the previous fiscal year except for reductions due to changes in student counts, net assessed property values or other technical factors or due to prior year adjustments or corrections.
- Establishes the 10-member Joint Legislative Study Committee on K-12 School Funding and Best Practices. Outlines the Study Committee duties.
- Appropriates \$46,000,000 in FY 2007-08 to ADE from the state General Fund to fund an additional increase in the base level. These monies must be used by school districts, charter schools and the Arizona State Schools for the Deaf and the Blind to provide salary and benefit increases to nonadministrative personnel. Additionally, intent language is provided.
- Appropriates \$400,000 from the state General Fund to ADE in FY 2007-08 for purchasing qualified outsourced materials for use in providing education administrators and managers staff development in the area of employee discipline and risk management techniques as specified.
- Appropriates \$1,000,000 in FY 2007-08 from the state General Fund to ADE to provide grants to schools to expand the federal Reading First initiative. Monies must be distributed to schools not currently participating in the federal Reading First initiative and that do not currently receive federal monies under Title I of the Elementary and Secondary Education Act. The ADE must determine application procedures and selection criteria for schools that wish to apply for these grants. Exempts the appropriation from lapsing.

#### **HB 2791 – Chapter 265 – \*budget reconciliation: higher education**

Makes various changes related to higher education necessary to implement the FY 2007-08 state budget.

- Retroactive to July 1, 2007, the Arizona Board of Regents (ABOR) may establish new campuses that are separate from any location in existence on July 1, 2007 subject to review by the Joint Committee on Capital Review.
- Requires universities to publicly post all of their employment openings, including title and description, instructions for applying and relevant contact information.
- Requires ABOR or an institution to report on the scope, purpose and estimated cost of a project that is to be developed on ABOR or institutional land, that is intended to be commercial in nature and whose majority of business is intended to come from the nonuniversity population, to the Joint Committee on Capital Review (JCCR) at least 2 months prior to an anticipated execution date of an agreement. Private entities are not required to divulge proprietary information to JCCR, and JCCR may provide recommendations to ABOR or universities on the reported projects.

- Makes the Medical Student Loan Fund continuously appropriated for use by the Board of Medical Student Loans.
- Requires community college districts and ABOR, for institutions under their respective jurisdictions, to provide a tuition waiver scholarship to the child or spouse of a member of the United States Armed Forces who was an Arizona resident or was stationed in Arizona and who was killed in the line of duty or who died from injuries suffered in the line of duty while traveling to or from duty. The child or spouse must meet current statutory eligibility requirements. The ABOR and community college districts must receive verification from the Arizona Department of Veteran's Services that the person is eligible for the tuition scholarship waiver.
- Changes the grant amount of the Private Postsecondary Education Student Financial Assistance Program from \$1,500 to \$2,000 annually that a recipient is eligible to receive for no more than two years and increases the amount that an eligible recipient may receive total from \$3,000 to \$4,000 to be used to pay all or a portion of the tuition and fees charged at a private, accredited four year college or university.
- Allows a compact with each qualifying Indian tribe to be renewed for an additional term of up to 10 years after a hearing and review of the compact for Indian tribal postsecondary educational institutions by the Joint Legislative Budget Committee (JLBC).
- Requires the Auditor General to submit copies of each audit to JLBC.
- Limits the distribution of monies in any fiscal year to no more than \$1,750,000 or no more than 1/10 of transaction privilege tax revenues received from all sources located on the reservation, whichever is less.
- Requires the ABOR on or before October 1, 2007 to submit for review to JLBC its operational and capital plans for Arizona State University downtown Phoenix campus. The plans must include at least the following:
  - Details on expenditures to date by the ABOR, its institutions and its partners.
  - Detailed 5-year operational and capital budgets that includes information on the expected sources of all monies.
  - A 5-year description of enrollment, capacity growth and graduation expectations by subject area.
  - The financing arrangements and contributions of all partners contributing to the financial plan and legal and financial relationships of the ABOR and its institutions to these partners.

***Math, Science and Special Education Teacher Student Loan Program***

- Establishes the Math, Science and Special Education Teacher Student Loan Program (Program) which consists of the following:
  - Beginning with the spring semester of school year 2007-08 the ABOR may grant loans from the Mathematics, Science and Special Education Student Loan Fund (Fund) to defray in-state tuition, instructional materials and mandatory fees of the education of students pursuing a teaching degree at a university under the jurisdiction of the ABOR and who are deemed qualified by the Board to receive the loans on a first come, first-serve basis.
  - The loans must be sufficient to fully cover the costs of resident tuition and fees and may also defray the cost of instructional materials. If an applicant receives a federal financial aid grant, the loan amount must be limited to the amount of tuition and fees not covered by the federal grant aid and may include a stipend for instructional materials.

- Requires the ABOR to:
  - Grant loans to qualified students who are classified as in-state students for tuition purposes and who agree to provide instruction in mathematics, science or special education in a public school in this state.
  - Adopt screening policies based on ability, character and financial need.
  - Grant loans on terms and conditions established by the ABOR and the ABOR must establish procedures for the timely repayment of the loans with an interest rate to be determined by the ABOR. Additionally, the ABOR is responsible for the collection of loans in default.
  - Allows the ABOR to delegate authority for the administration of the loans to an institution under its jurisdiction, however, the ABOR must retain responsibility for making initial public notice of the loan availability and collection of the application forms.
  - Submit by December 1 of each year a report that includes specified information to the Legislature and the Governor.
  - Collect and maintain data on the retention of mathematics, science and special education teachers who received loans and the ABOR must collect the data for at least five years after each loan recipient completes their service commitment.

#### ***Math, Science and Special Education Repayment Provisions***

- Allows applicants to be granted loans for up to 5 years.
- Requires the ABOR to enter into written contracts with the students that set forth the method and terms of repayment of the contract and provides that the loan recipient must begin the service commitment within one calendar year of completion of their bachelor's degree from an accredited university in this state in the area of mathematics, science or special education. The service commitment must be full-time and requires one year of service, plus one additional year, for each year of loan support.
- Allows a loan recipient to delay the start of their service commitment if the loan recipient engages in postgraduate studies, is inducted into the military or for any other cause beyond the recipient's control that is deemed sufficient by the ABOR.
- Requires a loan recipient who engages in postgraduate studies without a lapse of more than one calendar year or a loan recipient who is inducted into military service or any other cause beyond their control deemed sufficient by the ABOR and is unable to begin the service commitment within one calendar year must begin the service commitment within one year after completing postgraduate studies, military service or any other cause deemed sufficient.
- Provides for discharge of the loan recipient's indebtedness if the loan recipient fulfills the service commitment required in a public school in this state or while completing military service resulting from induction in one of the following ways:
  - One year of full-time service for each year of loan support plus one additional year.
  - Repayment of the total loan amount for each year of support with interest at the minimum rate of 7 percent.
- Specifies that if a loan recipient fails to complete the required course of study, if the course of study is interrupted by one academic year or more from specified conditions or if the loan recipient fails to discharge their service commitment, the amount of the loan not repaid or fully discharged must be due and payable with interest at a rate not less than 7 percent. The ABOR may extend the repayment period over a period not to exceed 15 years and must not require payment of interest for an excusable cause.



- Permits the ABOR to allow a loan recipient who paid part of the loan and did not begin their service commitment within 1 year to discharge the balance of the loan obligation by subsequently teaching in this state.
- Releases the loan obligation if the recipient dies during the education or service commitment period.
- Requires the loan recipient repay the full amount due at a minimum interest rate of 7 percent.
- Allows the ABOR to defer the loan recipient's service commitment or repayment obligation or may enter into repayment arrangements with the loan recipient or allow service that is equivalent to full-time service if the ABOR determines that action is justified on receipt of supporting documentation. The ABOR may allow service by teaching in another area of recognized need in this state.
- Permits the Arizona Attorney General to commence whatever actions are necessary to enforce the contract and achieve repayment.

***Mathematics, Science and Special Education Teacher Student Loan Fund***

- Establishes the Fund and the monies in the Fund are continuously appropriated. Payment of principal and interest must be deposited in the Fund.
- Allows the State Treasurer upon notice from the ABOR to invest and divest monies in the Fund and any interest earned must be credited to the Fund.
- Terminates the Program on July 1, 2017.

**HB 2792 – Chapter 266 – \*budget reconciliation; school facilities board**

Requires building renewal monies to be used for primary projects unless only secondary projects exist, establishes the Arizona Energy and Water Savings Pilot Program (Program) and the Arizona Energy and Water Savings Grant Fund (Fund) and notwithstands the building renewal formula.

***Building Renewal***

- Retroactively requires building renewal monies to be used first for projects that fall below the minimum school facility adequacy guidelines that are part of any buildings in the database. Monies received from the Fund must be used for primary projects unless only secondary projects exist, except that school districts must use building renewal monies on secondary projects to comply with building, health, fire or safety codes. Prior to expending building renewal monies on secondary projects to comply with building, health, fire or safety codes, the SFB must approve the projects.
- Retroactively requires school districts to annually report by October 15 the amount of expenditures dedicated to primary projects and secondary projects from building renewal monies as part of the annual school district building renewal report, and the SFB must forward this information to the Joint Legislative Budget Committee (JLBC) staff and the Governor's Office of Strategic Planning and Budgeting (OSPB). Retroactively defines the terms *primary projects* and *secondary projects*.
- Contains a retroactivity date of July 1, 2007 and notwithstands the building renewal formula in FY 2007-08.

### ***Arizona Energy and Water Savings Pilot Program***

- Establishes the Arizona Energy and Water Savings Pilot Program (Program). The Arizona Energy and Water Savings Grant Fund (Fund) is established consisting of appropriations, grants, gifts and donations. The State Treasurer is required to invest and divest monies in the Fund, and investment earnings are credited to the Fund.
- The SFB must administer the Fund and the Program with technical assistance from the Department of Commerce Energy Office (Office).
- Allows the SFB to expend Fund monies for the following:
  - Awarding project development grants for energy and water savings audits and the development and preparation of grant applications, limited to up to 10 percent of total legislative appropriations for project development grants. School districts may contract with public or private entities to provide project development services.
  - Awarding project implementation grants for the implementation of energy or water saving projects. School districts may contract with public or private entities to provide project implementation grants.
  - Providing technical assistance, which must be provided by the Office through an intergovernmental agreement with the SFB. The Office may contract with a public or private entity to provide the technical assistance.
  - Administering the Fund and Program.
- Allows the Office to expend up to \$150,000 for providing technical assistance and the SFB to spend up to \$100,000 for administering the Fund and Program.
- Allows school districts to receive funding from utility companies and other sources to provide monies for energy and water savings projects or eligible projects.
- Defines the terms *eligible project*, *office*, *project development*, *school facility* and *technical assistance*.
- Appropriates \$2,500,000 in FY 2007-08 from the state General Fund to the SFB for the Program.
- Repeals the Program on January 1, 2010.

### ***Task Force on K-12 School Facilities***

- Establishes the 20-member Task Force on K-12 School Facilities (Task Force), which is charged with:
  - Reviewing and making recommendations on:
    - Possible funding sources for the construction and maintenance of school facilities.
    - Building renewal and new construction formulas and potential changes to the formulas.
    - Minimum school facility adequacy guidelines.
    - Capital costs of reducing kindergarten programs through third grade class sizes.
    - Capital costs of counting kindergarten students as full average daily memberships in the SFB school construction formula.
    - Capital costs of implementing energy efficiency best practices.
    - Governance of the SFB.
  - Submitting an initial report by December 1, 2007 and a final report by December 1, 2008 summarizing the Task Force's findings and recommendations to the Governor and the Legislature.
- Repeals the Task Force on October 1, 2009.

### ***Miscellaneous***

- Makes the following changes to the annual report completed by the SFB and submitted to the JCCR regarding demographic assumptions, proposed construction schedule and new school construction cost estimates:
  - Changes the submission date from October 15 to June 15 annually.
  - Requires the submitted information to be detailed on individual projects approved for the current fiscal year and expected project approvals for the upcoming fiscal year.
  - Requires the JLBC staff, the OSPB and the SFB staff to agree on the report format.
  - Requires a copy of the annual report be submitted to the OSPB.

### **HB 2793 – Chapter 267 – \*budget reconciliation; transportation**

Contains various provisions related to implementing the budget for the Department of Public Safety and the Department of Transportation for FY 2007-08.

#### ***Department of Public Safety (DPS)***

- Repeals Laws 2006, Chapter 205 to again allow the DPS and the Arizona Department of Transportation to use monies from the Safety Enforcement and Transportation Infrastructure Fund (SETIF) for enforcing vehicle safety requirements and maintaining transportation facilities within 25 miles of the Arizona-Mexico border. Retroactive to June 30, 2007.

#### ***Department of Transportation (ADOT)***

##### ***Statewide Transportation Acceleration Needs (STAN) Account***

- Establishes the Transportation Acceleration Interest Reimbursement (TAIR) account as a sub-account of the STAN account.
- Appropriates \$10,000,000 to TAIR from STAN in FY 2007-08.
- Allows the Transportation Board to reimburse interest costs from TAIR for the acceleration of a transportation project if the following conditions are met:
  - the interest costs result from bonds, loans, or advances;
  - the agreements between a city or county, ADOT, and the respective regional planning agency are entered into after January 1, 2007; and
  - the transportation project to be accelerated must be part of a regional transportation plan of a county or part of ADOT's long range transportation plan.
- Specifies that approved interest cost reimbursements may be considered for STAN funding along with other eligible acceleration projects.
- Requires the regional planning agency of a county designated as a transportation management area to develop a process for reviewing and approving the reimbursement of interest costs from the STAN account.
- Requires ADOT to develop a process for reviewing and approving reimbursement of interest costs from the STAN account for counties not designated as a transportation management area.
- Prohibits the STAN account from being funded with monies from consent agreements or negotiated settlements by any state or local agencies or by donations made in place of a consent agreements or settlements.

#### *Roads of Regional Significance Congestion Mitigation Account*

- Establishes the Roads of Regional Significance Congestion Mitigation Account (RRSCM) as a sub-account of the STAN account.
- Appropriates \$10,000,000 from STAN to the RRSCM to fund transportation projects in counties, cities and towns, and exempts the appropriation from lapsing.
- Prohibits the Transportation Board from approving expenditures from the RRSCM account unless the expenditure is for the construction, design or planning of roads or bridges that are contained, but not funded, in the transportation plan of a city and the project is part of a regional planning agency's transportation improvement plan.
- Requires that to be eligible for RRSCM monies a city, town or county must identify the participating jurisdiction which is either a county, city or town that has an average growth rate that exceeds the respective average growth rate in Arizona by at least 50 percent in the last 5 years.
- Stipulates that when awarded monies from the RRSCM account each governmental entity involved shall enter into a memorandum of understanding (MOU) with each other that outlines each entity's fiscal responsibility for the project.
- Directs that governmental entities that receive monies from the RRSCM account to reimburse the account for the entire amount of a project as outlined in the MOU.
- Sunsets the provisions of this program on July 1, 2012.

#### *Highway Expansion and Extension Loan Program (HELP) Fund*

- Authorizes the ADOT to use up to \$10,000,000 from the HELP fund for eligible transit capital projects for Indian tribes and for political subdivisions with a population of 50,000 persons or less.
- Exempts federal monies in the HELP fund from being used for eligible transit capital projects.

#### *Motor Vehicle Division (MVD) Computer System Assessment Appropriation*

- Extends the lapsing date of the FY 2006-07 MVD computer system assessment appropriation of \$500,000, from the State Highway Fund, to June 30, 2008.

#### *Bonding*

- Extends the allowable repayment period for State Highway Fund bonds from 20 to 30 years.

#### *Railroad Right-of-way*

- Authorizes the use of a previous appropriation for costs related to the study, planning and acquisition of a railroad right-of-way and support infrastructure to for future freight or passenger rail service.
- Exempts monies appropriated in this section from lapsing.

***Safety Enforcement and Transportation Infrastructure Fund (SETIF)***

- Appropriates \$2,000,000 from SETIF in FY 2007-08 to ADOT for the design, planning and construction of a state safety inspection station at the San Luis II port of entry.
- Appropriates \$600,000 from SETIF in FY 2007-08 to ADOT to provide funding for the Arizona-Mexico Commission, the Department of Homeland Security, and the Arizona International Development Authority for traffic safety, border security, and infrastructure planning.
- Exempts the monies appropriated in this section from lapsing.

***Joint Legislative Review Committee on Transportation between  
Sonora, Mexico and Arizona***

- Repeals the Joint Legislative Review Committee on Transportation between Sonora, Mexico and Arizona.

**SB 1053 – Chapter 25 [E] – nuclear emergency management fund; assessments**

Appropriates the sum of \$1,367,248 in FY 2007-08 and \$1,440,492 in FY 2008-09, from the state General Fund to the Nuclear Emergency Management Fund (NEMF). Levies an assessment against each consortium of public service corporations and municipal corporations operating a commercial nuclear generation station in an amount equal to that appropriated to the NEMF, plus any interest.

**SB 1186 – Chapter 285 – named claimants; appropriations**

Appropriates \$472,245 from the state General Fund (GF) to the Arizona Department of Administration for the payment of various claims made against state agencies during FY 2002-03, FY 2003-04 and FY 2004-05. Exempts a FY 2006-07 appropriation to the Prescott Historical Society from lapsing.

**SB 1605 – Chapter 294 – \*DPS; injuries; industrial leave**

States that any civilian department employee, rehired after August 9, 2001, who is injured as a sworn department employee and who would have been previously eligible under current statute is eligible for industrial injury benefits. Clarifies that granted industrial injury leave is not eligible for payment under statutes relating to payment of accumulated sick leave.